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By: **Chairman, Economic Matters Committee (By Request - Departmental - Insurance Administration, Maryland)**

Introduced and read first time: January 29, 2003

Assigned to: Economic Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **Title Insurance - Converted or Misappropriated Trust Moneys -**  
3 **Responsibility of Title Insurer**

4 FOR the purpose of requiring title insurers to be responsible for certain trust moneys  
5 under certain circumstances; and generally relating to title insurance.

6 BY adding to  
7 Article - Insurance  
8 Section 22-103(g)  
9 Annotated Code of Maryland  
10 (2002 Replacement Volume and 2002 Supplement)

11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
12 MARYLAND, That the Laws of Maryland read as follows:

13 **Article - Insurance**

14 22-103.

15 (G) IF THE BOND OR LETTER OF CREDIT REQUIRED UNDER § 10-121(D) OF THIS  
16 ARTICLE IS INSUFFICIENT TO COVER TRUST MONEYS CONVERTED OR  
17 MISAPPROPRIATED BY A TITLE INSURANCE PRODUCER, THE DESIGNATED TITLE  
18 INSURER SHALL BE RESPONSIBLE FOR THE TRUST MONEYS CONVERTED OR  
19 MISAPPROPRIATED BY THE TITLE INSURANCE PRODUCER WHILE:

20 (1) ACTING AS A TITLE INSURANCE PRODUCER ON BEHALF OF THE  
21 TITLE INSURER; OR

22 (2) PROVIDING ANY ESCROW, CLOSING, OR SETTLEMENT SERVICES ON  
23 BEHALF OF THE TITLE INSURER.

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take  
25 effect July 1, 2003.